



DEFENSE LOGISTICS AGENCY
HEADQUARTERS

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IN REPLY
REFER TO J-3

MEMORANDUM FOR COMMANDERS, DLA FIELD ACTIVITIES

SUBJECT: Alternative Dispute Resolution


As DLA Senior Procurement Executive, I want to stress my commitment to the use of Alternative Dispute Resolution (ADR) to resolve acquisition issues when unassisted negotiations are unsuccessful. Although the ADR program is officially managed in your Offices of Counsel, I expect the acquisition community to be an active player, and encourage your continued and increased emphasis on ADR.

DLA has an "ADR first" philosophy. DLA Directive 5145.1, Alternative Dispute Resolution (pending One Book Chapter). When unassisted negotiations are unsuccessful, ADR *must* be considered and a decision not to use ADR *must* be documented in writing one level above the deciding official. Remember that the earlier ADR is considered, the better. Also remember that a "contract dispute" is not limited to docketed litigation or even a formal, certified claim. When contract complaints are raised in letters from contractors, Congress, or other sources, we have a "dispute." Part of expected staff work on these issues is to consider ADR.

DLA's success rate for acquisition ADRs is approximately 90%. This leads to significant savings in money, time, and aggravation, and helps improve contractor relations. I have received letters from contractors who participated in ADR, expressing their support of the process and our commitment to it. I can assure you those are much more pleasant letters to read than many I receive! Successful ADR also helps free up acquisition personnel and lawyers to focus on the current and future agency challenges, where we certainly need all the resources we can get.

ADR training is available from your Office of Counsel; I look for all acquisition personnel to have at least ADR awareness training, and encourage more extensive "user training." Field activities should also consider awards and recognition programs to reward those active in ADR; I know DRMS has such a program.

I am pleased that ADR is a priority for the agency. I rely on my acquisition staff and acquisition lawyers to continue to integrate ADR into the dispute resolution process, and help the agency achieve quick, inexpensive and cooperative solutions with our contracting partners.


CLAUDIA S. KNOTT
Senior Procurement Executive

cc: Chief Counsel